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Senate approves effort to ensure emergency financial managers are of the highest caliber

LANSING – The governor would have to seek Senate advice and consent when appointing emergency financial managers under legislation approved by the Senate today that would ensure high-quality gubernatorial appointments.

"Residents of communities in financial crisis should have confidence that the person leading their city has excellent character, credentials and ability," said Sen. Mike Bishop, R-Rochester, who sponsored the legislation. "By requiring Senate confirmation for financial managers, we will ensure the governor selects only the best people. There should be greater public scrutiny for this incredibly important appointment."

Under Senate Bill 461, the local emergency financial assistance loan board would submit to the governor the names of at least three nominees for the position. From that list, the governor would appoint — with the advice and consent of the Senate — an emergency financial manager for the municipality for up to a year. That appointment can be renewed.

"The Senate takes its advice and consent duty very seriously because it is a checkpoint designed to protect the public interest," said Senate Majority Leader Ken Sikkema, R-Wyoming. "We always give appointees the benefit of the doubt, but we have a sworn duty to ensure that only people of the highest caliber, character and ability end up in positions of authority."

Senators of both parties and numerous other area leaders have expressed concern with the governor's appointment of a new financial manager to Highland Park. The new manager, who lacks significant financial experience, replaced someone who is a Certified Public Accountant. Columnists in newspapers including the Detroit Free Press, The Detroit News and the Detroit Metro Times have slammed the appointment, arguing he is unqualified and in the words of the Free Press is "a political hack whose career includes several ethical lapses."

"Today's vote is a vote for good government," said Sen. Laura Toy, R-Livonia. "We're making sure financial managers have the skills necessary to make the wise financial decisions and lead troubled communities out of crises."

Toy chairs the Senate Local, Urban and State Affairs Committee, which reviewed SB 461.

Emergency financial managers are appointed to lead municipalities that have been determined to be in a fiscal crisis and unable to meet all their financial obligations.

SB 461 now heads to the House of Representatives for consideration.

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Editor's note: Comments from Sen. Bishop may be downloaded from the Michigan Senate Republican Majority Audiowire at: senate.michigan.gov/gop/audiowire/.